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$12 Billion Over 10 Years: Pharma, Medical Devices Industries Shell Out Direct Payments to U.S. Physicians

The pharmaceutical and medical devices industries made 85,087,744 payments to physicians across 39 specialties, according to a study published last month in JAMA. The payments went to 57.1% of practicing physicians.

By Brenda Baletti, Ph.D.

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The pharmaceutical and medical devices industries paid physicians more than $12 billion over 10 years, according to a study published last month in JAMA.

The analysis found the industries made 85,087,744 payments totaling $12.13 billion to 826,313 physicians — 57.1% of practicing physicians across 39 specialties.

Orthopedic surgeons, neurologists and psychiatrists, and cardiologists received the most money. Trauma surgeons and pediatric surgeons received the least.

The drugs with the highest payouts were blood thinners Xarelto and Eliquis, along with Humira, an immunosuppressant.

The three medical devices with the highest payouts were robotic surgery systems, da Vinci Surgical System and Mako SmartRobotics, and CoreValve Evolut, a heart valve.

"Money given to doctors has a purpose: it is for marketing," cardiologist Dr. John Mandrola and co-author of the study wrote on his Substack. "If these direct payments to doctors did not work, industry would not spend billions."

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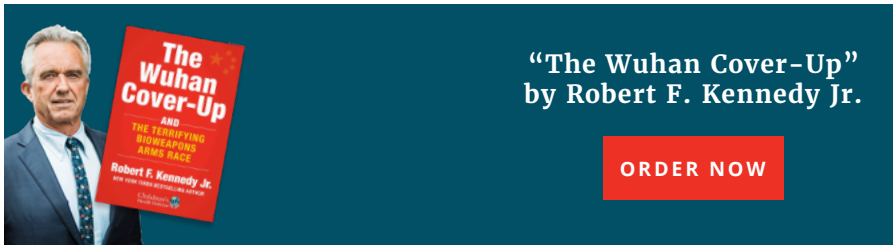

Dr. Andrew Foy, lead author of the paper, told The Defender in an email he thought some people might find the numbers "shocking" and he hoped it would renew interest in having conversations about physician-industry payments and facilitate more research.

The researchers tracked and compared payments made to physicians across and within specialties. They also identified the top 25 drugs and medical devices associated with the largest total payments.

The analysis included only money received for consulting, travel, food, entertainment, education, gifts, grants and honoraria. The researchers excluded other major external funding sources for physicians such as research funding and royalties.

They analyzed data from 2013-2022 in the Open Payments database, established in 2013 by the Physician Payments Sunshine Act as part of the Affordable Care Act.

Legislators designed the Sunshine Act to address growing public concerns about Big Pharma's influence over doctors. At the time, several studies had shown that increased interaction with pharmaceutical representatives influenced physician prescribing behavior.

The act requires medical product manufacturers to disclose to the Centers for Medicare and Medicaid Services any payments or other transfers of value made to physicians or teaching hospitals. Open Payments publishes the payments on its website.

The analysis found that payments varied significantly across specialties. The highest-paid specialties like orthopedic surgery received $1.36 billion, and neurology and psychology specialties received $1.32 billion. The lowest-paid specialties received substantially less.

Pediatric surgeons and trauma surgeons received only $2.89 million and $6.96 million respectively.

Payments also varied significantly among physicians within the same specialty, with a small number of physicians in each specialty receiving the largest amounts of money — often exceeding $1 million — while the median physician received significantly less, typically less than $100, ranging from zero to $2,339.

"Our paper is a modest analysis. It does not explain the problem of financial conflicts of interest. But it is a lot of money. And it's highly targeted to lucrative procedures," Mandrola wrote.

"Industry influence is way too strong," he added, and commonly results in medical devices being approved "despite dodgy evidence."

He said many doctors believe collaboration between industry and physicians is a good thing that drives innovation. However, he said, these payments weren't simply supporting collaboration.

"Most of it, I would argue, is for marketing and goodwill. Goodwill goes a long way to help establish practice patterns."

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Top drugs and devices on list net billions for pharma

The blood thinner Xarelto, used to prevent blood clots from forming due to an irregular heartbeat or after hip or knee replacement surgery, topped the payment list, accounting for $176.3 million.

The drug, made by Bayer and marketed by Janssen Pharmaceuticals, was Bayer's top drug in 2023, generating about 4.1 billion euros in revenue.

Payments for Eliquis, another blood thinner used to treat the same conditions, amounted to $102.62 million. Pfizer and Bristol-Myers Squibb manufacture Eliquis.

Pfizer in 2023 brought in over $6.7 billion from the drug, its second-most profitable product behind the Comirnaty COVID-19 vaccine. Bristol-Myers Squibb's sales topped $12 billion.

Eliquis costs U.S. customers 3 to 7 times more than customers in other high-income countries.

Humira, an immunosuppressant used to treat rheumatoid arthritis, psoriasis and other autoimmune conditions paid out $100.17 million to physicians. Over the last two decades, the drug netted over $200 billion for drugmaker AbbieVie, which listed the medication at $50,000 per year.

Bayer, Pfizer, Bristol-Myers Squibb and AbbieVie did not immediately respond to requests for comment.

Other top drugs included diabetes treatments Invokana, Jardiance, and Farxiga, Dupixent, a drug for allergic diseases, and Botox.

The two medical devices topping the list — da Vinci Surgical System, which paid $307.5 million, and Mako SmartRobotics, which paid $50 million — are machines for robotic-assisted surgeries.

Mako focuses on hip and knee replacements. Da Vinci netted approximately $7.12 billion in 2023 and investors were "blown away" by the "robot-fueled growth" of Mako SmartRobotics device installation for hip and knee replacements. Mako's parent company Stryker made over $20 billion last year.

Several cardiology devices also made the list, including the third-highest payer CoreValve Evolut, another heart valve, Sapien 3 and LifeVest, a wearable defibrillator. They are all part of their parent companies' multi-billion dollar product portfolios.

Conflicts of interest

The problem of physicians' financial ties to pharmaceutical companies has plagued the industry for decades and garnered significant media attention.

Perhaps most famously, Purdue Pharma used misleading marketing to make massive profits from sales of opioids, sparking an epidemic. Nearly 645,000 Americans died from opioid overdose between 1999 and 2021.

However, Purdue Pharma's policy of paying physicians has long been common practice. Research studies during the last two decades have found the vast majority of physicians accept payments and gifts from pharmaceutical companies. Influential studies include those by the Institute of Medicine and the Medicare Payments Advisory Commission that led to the passage of the Sunshine Act.

This latest study and other recent studies show that despite new mechanisms for transparency in payments, the payments continue.

And those payments are particularly high among physicians with prominent roles directing public policy.

For example, last year The New York Times revealed that while advisers at the National Academies of Sciences, Engineering, and Medicine were shaping public policy on opioids, they were also accepting payments from the Sackler family who owned Purdue Pharma.

Last month, The Defender reported that most of the nine new members appointed to the vaccine advisory committee for the Centers for Disease Control and Prevention have received substantial direct payments or research funding from Big Pharma — largely from the companies whose products they will be reviewing.

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Foy said he thought a major part of the problem is that physicians and researchers believe that if they make their conflicts of interest transparent, the problem is resolved.

"As if someone cannot be transparent about their conflicts and highly biased at the same time," he said.

He said that payments don't necessarily lead directly to prescribing one specific drug for which a payment is received.

Instead, he said, he worries that the payments lead to, "overly enthusiastic recommendations or guidelines from medical organizations to use new products when they have not been sufficiently tested, or where the evidence is not strong enough, to recommend them over old standards or nothing at all (in some cases)."

Industry payments to physicians, Foy said, have a way of "tilting physicians' sympathy toward industry and the 'medical advancements' that come from industry so that they (the physicians) more willingly adopt new products just for the sake of 'industry advancement' even if they don't have a direct COI [conflict of interest] with that particular product."

Physicians, he said, "become cheerleaders for industry and more open to adopting new products simply due to this attachment."

For example, he said it is not uncommon at medical conferences for attendees to stand up and cheer results from "late-breaking" research studies whose "benefits are very rarely ever more than marginal, tiny, or 'teensy-weensy' at best."

"I never understood it," Foy wrote.

Direct payments aren't the only way industry collaborates with physicians, Foy said.

Industry ads are featured on the homepage of medical journals and ads bombard physicians at major medical conferences.

He said this gives the impression that "the event is built around industry and its involvement."

He said he doesn't think that anyone tries to hide the relationships. "The main reason being, at least in my opinion, is that many physicians, perhaps even the majority, believe that physician-industry collaboration is a net benefit to patients and society," he said.

"I don't necessarily share that view; however, I don't believe there is strong, objective evidence to support one side or the other."

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Brenda Baletti, Ph.D.

Brenda Baletti, Ph.D., is a senior reporter for The Defender. She wrote and taught about capitalism and politics for 10 years in the writing program at Duke University. She holds a Ph.D. in human geography from the University of North Carolina at Chapel Hill and a master's from the University of Texas at Austin.

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If it happens in the poor world it's called corruption. If it happens in the wealth world it's called 'marketing' and 'good will'.

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GarySummers
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5 days ago

They are taking bribes from the Pharmaceutical companies, plain and simple. It should be outlawed with real consequences.

3 0 Reply

Beatrice ↗ brbg
5 days ago

Obama was supposed to have accomplished that with his ' sunshine law'. Right. Just like most politicians, he was only effective at lying.

2 0 Reply

Beatrice
5 days ago

Do you know how much wheelchairs cost? Why would a wheelchair cost 65,000 dollars? Well, because the person who needs it is desperate and we all know that the predators, including doctors, are preying on the desperate and the poor.

2 0 Reply

Jeanette Johnson
5 days ago

We need a list of these doctors if our doctors name is on the list we can walk away from them.

2 0 Reply

Ektor
5 days ago

I think there is a lot more about payoffs than we know. Doctors only care about the money and very seldom work for the patient.

2 0 Reply

Beatrice Ektor
5 days ago

and seldom care about their patients. It is truly shameful how American capitalism functions. How can anyone be proud of this country at this point. I'm not.

1 0 Reply

el Gallinazo
6 days ago

At least whores usually produce a product which is safe and effective.

2 0 Reply

seahawk
6 days ago

Medical profiteering where will it all end. The stench from the rotten medical community rises clear up to heaven. Collateral damage from there medical interventions surrounds me. To think I once looked up to them. I was a fool. Never again. Their end is fast approaching. "The vision is yet for the appointed time, and it keeps panting on to the end and it will not tell a lie. Even if it should delay, keep in expectation of it; for It will with out fail come true, it will not be late." Hab. 2:3

2 0 Reply

Ken Swiatek
5 days ago

I urge you to read the "fictional" book, "Malice" by Jennifer Jaynes. She mysteriously committed suicide after its publication by shooting herself twice in the head.
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